May 20, 1968

Main

FOREIGN AGRICULTURE

JUN 3 - 1968

Argentine Grain Crop Below Expectations

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FOREIGN AGRICULTURE

VOL. VI • NO. 21 • MAY 20, 1968

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Argentina's grain crop, which fell short of predicted levels this year, is brought to port by truck and wagon. Story begins this page.

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Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (June 15, 1964). Yearly subscription rate, $7.00 domestic, $9.25 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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Argentine Grain Crop Be

Rains at the wrong time turned what seemed like a record year into an average one for Argentina's grain production and export trade.

By JAMES P. RUDBECK
Grain and Feed Division, FAS

Argentine grain producers in 1967-68 planted the largest acreage since the late 1930's leading to early season forecasts of bumper crops. Harsh weather through much of the growing season, however, dashed these forecasts, and the crops are turning out to be generally below average.

As a result, wheat production in 1967-68 has been held back to only an average crop—although somewhat larger than the small outturn of 1966-67—and corn production will probably decline despite a sharply expanded acreage. Among the other grains, production of oats, barley, and rye improved some from last year, and sorghum output is expected to be higher than last season's poor crop as a result of a much larger acreage.

On the trade side, exports of wheat will probably be up from the low 1966-67 level of 2.2 million tons, and those of grain sorghum may also increase. Exports of corn, however, will likely decline from the 3.9 million tons shipped out during the 1966-67 season.

Wheat falls short of goal

Wheat production in Argentina is estimated at around 7.0 million tons for the recent harvest, compared with 6.25 million in 1966-67, and the most recent 5-year average of 7.67 million. Although the planted area for this past season was increased by 6.1 percent to 16.5 million acres—the highest level since 1943—it was still far short of the announced goal of close to 20 million acres.

Several factors contributed to this apparent shortfall in plantings and production. First, a goal of close to 20 million acres may have been unrealistic from a technical standpoint, for it would have required a shift of over 4 million acres into wheat production in a single year. This would have required added seed as well as machinery.

Second, the long-term price outlook at the time of planting was apparently not sufficiently favorable to encourage this shift. While prices were extremely high at that time, owing to a temporary domestic shortage which required a ban on exports, the general feeling was that prices would break with the new crop. Moreover, the support price for the 1967 crop was not known until mid-August, nearly 2 months after planting had started.

Finally, and probably most important, weather conditions

op Below Expectations

were not suitable for a large increase in the planted area and resulted in only fair yields. Excessive rains in the southern part of Buenos Aires delayed planting in June and July of 1967, as did dryness in the Provinces of La Pampa, Córdoba, and Santa Fe. A cold spell in June caused further delays. By the end of the growing season (October), a further excess of rainfall in the southern part of the wheat belt had caused root damage and fungus diseases while dryness in the northern area had reduced yields.

Wheat export estimates

With a production level of around 7 million tons, wheat exports could be around 2.3 million to 2.5 million tons. This allows for a home-consumption level of about 3.9 million tons and an increase in carryover stocks. On November 30, 1967 (the end of the Argentine marketing year), the old-crop carryover in licensed facilities was only 245,000 tons.

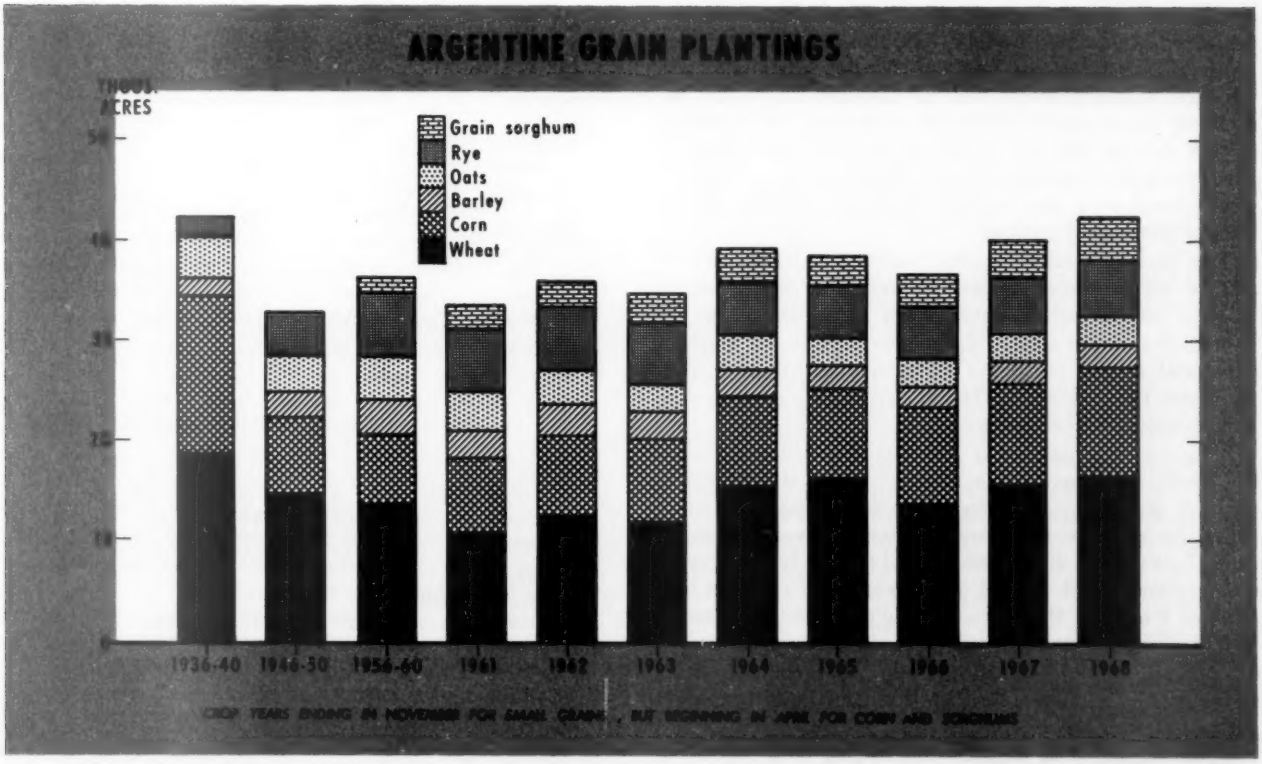
As of the end of March, export commitments for wheat were around 1.9 million tons, including agreements with Brazil for 1 million tons, with Chile for 160,000, and with Uruguay for 60,000. It is expected that total sales to South American countries during the entire season (December-November) will be about 1.8 million tons, of which about 1.5 million are already committed. Assuming a 700,000-ton increase in year-end stocks, 500,000 to 700,000 tons would be available for export to other destinations. Of this, at least 400,000 tons have already been sold to Europe, including roughly 300,000 tons of the total of 400,000 tons of durum wheat believed available for export. However, if the new-crop outlook is favorable toward the end of the current market season, exports could possibly exceed these levels.

As a result of the progress in export sales, prices of wheat have strengthened recently. The Rotterdam price for Argentine wheat was $70.50 per metric ton in November, the beginning of the marketing season. But it fell to a low of $65 per ton in early January, following a reduction in the export retention tax from 25 percent to 18 percent and the arrival of new-crop supplies. (Also contributing to the January price decline was a reduction in the index value upon which the export retention tax and several other taxes, amounting to 5.3 percent, are figured. The index value was decreased from $59 per ton to $55 per ton.) Since January, with the sale of a million tons of wheat to Brazil, prices in Rotterdam have increased to over $69 per ton.

The initial arrival of the new crop brought domestic prices down to below the support level of 15,000 pesos per ton. Consequently, farmers sold their wheat at this support level to the National Grain Board, which has acquired slightly over 2 million tons under the price-support scheme. Most of this wheat will be resold for export, but some will likely be held back as reserves to insure that imports will not be necessary again as they were last year.

Other small grains

Production of barley, oats, and rye, which are grown under much the same conditions as wheat, gained some over



the extremely poor levels recorded during 1966-67.

The long-term acreage and production trend has been downward for these grains; some slight increases in plantings and higher yields account for the gains in production this year. Production estimates for 1967-68 are 588,000 tons for barley, 590,000 for oats, and 352,000 for rye, compared with 440,000, 540,000, and 270,000 tons, respectively, last year.

Because all three grains are used heavily for forage, the harvest and the export level for each are difficult to forecast. Pasturing was heavy owing to the drought, but it seems likely that the combined export level of these grains could top the 210,000 tons exported last year.

Corn output to decline

The current estimate for corn output is 6.6 million tons, against about 8.0 million harvested in 1967. (The latest official production estimate for 1967 is 8.51 million tons, but given the level of exports that have materialized and apparent home needs, this estimate appears to be on the high side.) Most of the corn is grown to the north, northwest, and northeast of the wheat belt in the Provinces of Buenos Aires, Córdoba, Santa Fe, and Entre Ríos. Also, the season is different from that for wheat. Corn is generally planted in September and October and harvested in March, April, and May, whereas wheat is usually planted in June and July and harvested in December and January.

While the freakish weather pattern of the current season allowed for some increase in wheat production, it took a heavy toll on the corn crop. The planted area was increased by about 9 percent, and planting was begun somewhat earlier than usual. But heavy rains in October washed out or otherwise damaged many fields, necessitating replanting.

Thus, while planting, particularly in the northern areas, began earlier than usual, final planting or replanting was behind schedule. Moreover, the rain virtually stopped during the height of the growing season (December-January), and the drought that followed took an unusually heavy toll because the plants had not developed deep roots. Most affected by this drought was the center of the corn belt, which is located around Pergamino in northern Buenos Aires Province. Heavy losses were also reported in eastern Córdoba and in western Santa Fe Provinces.

This unusual weather pattern was strikingly opposite to that of the year before, when rainfall increased at almost an ideal rate during the development of the corn crop.

A harvest in the area of 6.6 million tons should yield an exportable surplus of around 2.5 million to 3.0 million. In the season that just closed (March 31), exports of corn were approximately 3.9 million tons.

A further determinant of the final export level will be the condition of pastures for the balance of the marketing year. If the recent rains improved the pastures sufficiently before the winter months, less corn will be needed domestically. Last year, as a result of the cold spell in June, apparent consumption of corn jumped by approximately 1 million tons to about 4 million. High domestic hog prices also contributed to this increase. Although statistics on domestic consumption of corn are very incomplete, the apparent levels have been in the area of 2 million to 3 million tons in recent years, with an upward trend being shown.

Currently, the port elevators are bulging with wheat acquired by the National Grain Board under the price-support scheme; and space for corn is limited. Corn exports, therefore, will probably not move as fast as they did during the beginning of 1967-68 marketing year (April-March), when by the end of the fourth month 3 million tons had been shipped out. At that time, the port elevators were clear of wheat, and it was thought that the corn exportable surplus was much larger than it turned out to be. By September, monthly exports had dropped to 160,000 tons, and the September-December level was only 410,000.

Through the end of March 1968, export sales of the new crop were around 1 million tons, with Italy the principal buyer. In the 1967-68 marketing year, Italy accounted for nearly half of all Argentine corn exports. Spain was the next largest purchaser with nearly 900,000 tons.

A reduction in the export retention tax for corn—to 18 percent also—and arrival of new-crop supplies have lowered corn prices in Europe. Recently, Argentine corn was being offered in Rotterdam at about $56-57 per ton, compared with $71-$74 in December. Also contributing to the recent price decline was a reduction on April 3 in the export index value from $50 per ton to $47. The export tax of 18 percent and several smaller taxes, amounting to 4 percent, are calculated against this index.

Sorghum output to gain

Sorghum, which is grown in the same general region as corn but slightly more to the west and north on the more arid lands, also will be hurt by the drought. However, the damage will not be as great as that for corn, since sorghum

SUPPLY-DISTRIBUTION OF PRINCIPAL ARGENTINE GRAINS

Item	Average 1960-61/ 1964-65	1965-66	1966-67	1967-68 [1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Wheat: [2]				
Supply:				
Carryin	983	3,340	175	245
Production	7,165	6,200	6,247	7,000
Total	8,148	9,540	[3]6,555	7,245
Distribution:				
Apparent domestic use	3,651	3,795	4,080	....
Exports	3,085	5,570	2,230	....
Carryover	1,412	175	245	....
Total	8,148	9,540	6,555	....
	Average 1961-62/ 1965-66	1966-67	1967-68 [1]	1968-69 [1]
Corn: [4]				
Supply:				
Carryin	30	50	75	75
Production	4,984	7,040	8,000	6,600
Total	5,014	7,090	8,075	6,675
Distribution:				
Apparent domestic use	2,290	3,005	4,000	....
Exports	2,689	4,010	4,000	....
Carryover	35	75	75	....
Total	5,014	7,090	8,075	....

[1] Estimated. [2] December-November. [3] Includes 133,486 tons of imports. [4] April-March.

is more drought resistant and benefited some from the February rains (the principal harvests are in April, May, and June).

In view of this, plus a 24-percent expansion in area, production will be above the poor harvest of a year ago. Currently, it is estimated at 1.9 million tons, against 1.38 million and 2.13 million in the preceding 2 years.

Aside from the crop size, exports of sorghum this season will also be conditioned by home use of the product, which varies widely from year to year. In the season that just closed (March 31), it appears that home consumption was about 900,000 tons, against about 1 million in the preceding year and 700,000 3 years ago. As with corn, actual data on domestic consumption is virtually nonexistent, so these figures were derived by subtracting exports from production and making estimates for stock changes. Should consumption decrease slightly as the result of improvements in the pastures, exports could reach 1 million tons. This would be about 500,000 tons over the 1967-68 level and about equal to 1966-67 exports.

Principal outlets for Argentine sorghum are Japan and Europe. Following a cessation of buying in July-November of last year, these areas have resumed purchasing. Prices, however, have been somewhat erratic because of uncertainties surrounding the production outcome. In Rotterdam, these prices have ranged from $55 per ton in December to a high of $58 in mid-February to around $50-$51 currently. About 100,000 tons of new-crop sorghum had been sold by the end of March for export.

Bad Weather Cuts Philippine Coconut Production

For the second straight year, the Philippine coconut industry has seen its production reduced by unfavorable weather. In 1966 and early 1967, the problem was drought, which cut 1967 output sharply. Then, in November of last year, a devastating typhoon swept over southern Luzon, the major coconut area, leaving in its wake more damage than has been attributed to a storm in many years.

Government and trade surveys of the coconut areas affected by the typhoon indicated that several hundred thousand trees, both bearing and nonbearing, were blown down by the heavy winds. And thousands of others were stripped of blossoms, fruit, and leaves. The loss of the bearing trees, however, will be partly offset by new trees coming into production, particularly in Mindanao. While production for the country as a whole will be down, Mindanao's is expected to gain as a result of better rainfall conditions there and its new trees of bearing age. This could lead to a substantial upswing in total production during late 1968.

Output now forecast down

Currently, 1968 production of copra is expected to fall 17 percent from the 1967 level, which in turn was 14 percent below the record volume of 1,681,509 long tons produced in 1966. Crushings of this product for oil will be off by a lesser amount than exports—about 10 percent—reflecting expansion of the crushing industry. However, a sizable loss is expected in desiccated coconut production since most of this industry is located in the area damaged by the typhoon. In 1967, production of desiccated coconut was off 11 percent to 60,366 long tons.

No official estimates for 1967 or forecasts for 1968 have been released on acreage or number of trees; however, they are believed to be considerably above the 1966 level. Plantings in earlier years indicate that 700,000 new trees would have come into full bearing in 1967 and another 1.6 million in 1968 if it had not been for the storm damage. This gain in new trees reflects the steady expansion in area over the past decade. Between 1958 and 1966, area rose from 2.62 million acres to 3.98 million, or 8.7 percentage points annually. During the same period, the number of bearing trees rose from 167.1 million to an estimated 244.9 million, or 7.8 percentage points annually.

Reflecting the tight supply situation, shipments of copra and coconut products from the Philippines, world's largest exporter of these products, have fallen sharply, while prices have skyrocketed. In addition, the country recently made its first official import of copra in many years.

Compared with the record exports of 1966, Philippine shipments of copra in 1967 were off 17 percent, and they are expected to decline further this year. Those of copra and coconut oil fell 24 percent in 1967 and in January-February 1968 were off 23 percent from the 1967 period. Exports of the oil, and of desiccated coconut as well, are expected to continue at a reduced level this year.

Rice exchanged for copra

The noteworthy import of copra came last month when the country exchanged 5,000 tons of rice for 7,600 tons of Indonesian copra. (This was also the first sale of rice in the Philippines' history.) Based on current Philippine copra prices, the total value of the transaction is estimated at about $1.6 million, or the equivalent of $160 per ton of rice and $210 per ton of copra. The imported copra went to the Batjak processing mills in Mindanao and Leyte; these mills have been taken over in a debt settlement by the National Investment and Development Corporation, a subsidiary of the Philippine National Bank.

Domestic producers strongly opposed the import, expressing the fear that imported copra would force domestic prices down from their current high levels. Although this is the first registered purchase of copra in recent years, the country has regularly received unregistered imports. These reportedly flow at a rate of about 50,000 tons a year.

Prices for Philippine copra and coconut oil, after holding fairly steady during the first half of 1967, climbed sharply during the second half. Several factors contributed to this. The coconut oil market in the United States was already unusually strong; demand from the main European consumers for spot and nearby shipments then picked up; and later the shortage caused by the typhoon compounded an already tight supply situation. Except for occasional declines, prices in the foreign market experienced a sustained upswing. In the United States, they had reached $228.70 per short ton by December 1967, for a gain of 50 percent from the same month in 1966. And in Europe, they had climbed 43 percent to a December average of $256.20 per ton.

—Based on a dispatch from FRED W. TRAEGER
U.S. Agricultural Attaché, Manila

U.S. Honey Sales Lag on World Market

By GORDON E. PATTY
Sugar and Tropical Products Division
Foreign Agricultural Service

The United States has the world's largest honey output and is a minor honey exporter with decreasing overseas sales. In 1967, a year in which it had an unusually short crop, the United States produced 223 million pounds, or more than one-fourth of the world total of 841 million pounds. (The world's second producer, Russia, had a 1967 estimated output of 220 million pounds.

But in spite of its large production, the United States had a small share of the world market—only 7 percent in 1967. All but 5 percent of the U.S. honey crop was consumed domestically. Even more important as an index to U.S. position in international honey trade, though, was the drop in U.S. exports during the last 10 years while total world honey exports almost doubled. In 1957 the United States sold 20 million pounds of honey; in 1967 it sold 12 million.

Two related reasons caused the lack of growth in U.S. honey exports. First, American honey producers are faced with stiff competition for foreign markets from producers with lower labor costs and standards of quality. Second, U.S. honey production is growing more slowly than average world honey production, and other countries have larger surpluses to export.

Major exporters and importers

The country that exports more honey than any other is Mexico. Much of the honey it sells is of industrial grade and is less delicately flavored, has more impurities, has a higher moisture content, and is less clear than honey sold for table use in the United States. Industrial-grade honey is chiefly used by bakeries as a sugar supplement in breads, rolls, cookies, pastries, and graham crackers.

Argentina is the second-ranking honey exporter and sells major quantities of table-grade as well as industrial-grade honeys. Other important honey-exporting countries, in order of their 1966 rank, are Mainland China, Australia, Hungary, Canada, Spain, and Guatemala.

The world's most important honey market is West Germany. Although its share of total world imports is gradually decreasing, in 1966 it still bought a giant 46 percent of all honey sold internationally. The second-largest honey market is the United Kingdom. Japan ranks third as a honey importer, and its demand for honey is growing rapidly. Japan's honey imports have tripled since 1963. Other important markets are various countries in Western Europe.

Market analysis

American honey isn't losing ground because of poor quality—it's probably the best honey produced in the world and is available in more variety than honey from any other country. It is generally the most delicately flavored, purest, clearest honey that can be bought.

Perhaps a more detailed picture of market situations in specific countries would help to explain the low level of sales of U.S. honey; and opportunities for increased sales can be outlined.

West Germany is the major export market at present for U.S. honey. American honey has three main sales problems in the country—high price of bulk shipments, high tariffs on packaged honey, and some characteristics that do not meet German preferences.

First, American honey, although of very high quality, is at a competitive disadvantage when imported in bulk. This means Americans miss a large part of the German market since most honey imported to West Germany is in bulk and is for industrial purposes or for blending with better grades of honey. In 1966 U.S. honey entering West Germany had an average value of 17 cents a pound. In the same year Mexico's and Argentina's honeys averaged around 11 cents a pound. Mainland China entered the market at 10 cents a pound.

If American honey is exported to Germany in packaged form (in jars or other expensive containers), duty must be paid on an ad valorem basis that applies to the packaging costs as well as the honey. The duty, therefore, considerably increases the selling price of American-packaged honey in Germany.

American honey production. Left, vacuuming bees from hive to harvest honey; right, loading the hives with tractor lift.

Unless U.S. honey can be competitively priced in bulk, other methods will have to be found to enter the West German market. Honey in new or convenient form, such as plastic squeeze bottles, may provide one way. Promoting American honey, as such, by media advertising, trade fairs, and point-of-sale advertising in chain stores should also help.

Also, if U.S. honey processors would tailor their products to suit West German tastes, more American honey might be sold. West Germans prefer honey that has not been heated during processing; but nearly all American honey goes through such a step.

In the world's second largest honey market, the United Kingdom, American honey is being confronted with stiff competition from a number of countries. The United States has traditionally supplied high-quality, light-colored, and expensive honey for the "carriage trade." But most honey sold in the United Kingdom is of somewhat lesser quality and much less cost. Canada and Australia have an advantage in honey sales because as Commonwealth members they do not have to pay the import duties that apply to honey, which total about 0.5 cents a pound. Argentina and Mexico also are strong competitors on the U.K. market. And Mainland China's honey, though of lower quality, is highly competitive at half the cost of U.S. honey.

The market in Japan, which should be good for U.S. honey because of its rapid expansion, is being dominated by honey from Mainland China. U.S. honey exports to Japan have increased only slightly even though the total Japanese imports of honey have risen rapidly.

The honey market for the United States in other West European countries than Germany and the United Kingdom should be capable of much improvement. These countries already have a high standard of living which is improving.

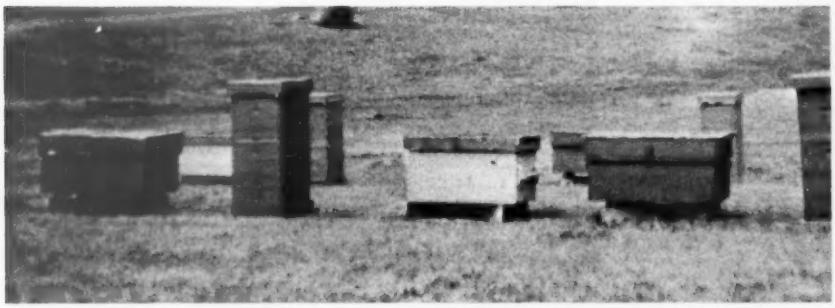
The recent Kennedy Round negotiations on tariffs should benefit U.S. honey exports because the EEC agreed to lower its duty rates on honey from 30 percent to 27 percent, Austria's will drop by 10 percent, and Sweden's will be cut in half. Together, the countries involved could be an important honey market—but that market needs to be developed.

How to increase U.S. honey sales

One method of stimulating sales is by displaying American honey at booths in overseas trade fairs. Two such promotions, in Munich and Paris, are planned for 1968. At the trade fairs samples of U.S. honey are displayed and distributed directly to the public. Honey importers of the country where a fair is held have an opportunity to see the quality and variety of American honey available, can make contacts with American exporters at the fair, and sometimes can make on-the-spot purchases.

Another method of prodding sales is through in-store promotions—advertising and selling U.S. honey in overseas chain food stores and supermarkets.

Other ways of expanding U.S. honey exports include finding new means of eliminating trade barriers, determining the type of honey wanted by importing countries, and lowering costs so that American honey will be in a more competitive position. The last is especially important because one of the chief reasons at present for small U.S. honey sales overseas is high prices.



Top left, chest hives in Romania; center, Germans sampling U.S. honey at trade fair in Munich; bottom, apiary in Vienna.

U.S.-Western Hemisphere Farm Trade Dips

By ALYCE WOODARD
Foreign Regional Analysis Division, ERS

For the first time in 6 years, U.S. farm trade with Western Hemisphere countries has declined. In 1967, this trade totaled $3.1 billion—off 6 percent from the 1966 level—whereas during the previous 5-year period, it had risen steadily, from 1961's $2.8 billion to the $3.3 billion of 1966.

The value of U.S. agricultural imports from Hemisphere countries totaled nearly $2 billion, about 3 percent below that of 1966. This reduction is attributed to a 14-percent decline in the total value of imports of coffee, bananas, fruits and vegetables, cattle, and wool—commodities which made up about 53 percent of the Hemisphere's farm trade in 1967. These declines were only partially offset by a rise in imports of other commodities, particularly sugar and cocoa beans. The trade reflected sharp declines in imports from Canada, Guatemala, Honduras, Argentina, Brazil, and Uruguay and a significant rise in those from Costa Rica, El Salvador, Nicaragua, and Peru.

Coffee continued as the No. 1 U.S. agricultural import from the Hemisphere. However, value of trade in this product continued a decline in progress since 1960, falling about 11 percent below the level of 1966. In value, Brazil supplied 15 percent less raw coffee than in 1966, but more than 3½ times as much soluble. Imports from Mexico, Guatemala, and the Caribbean declined, while those from Costa Rica and El Salvador increased.

Sugar imports maintained a rising trend in 1967 in response to larger quotas in the U.S. market, and import value increased nearly 20 percent. Mexico, the Dominican Republic, Brazil, and Peru—the principal U.S. suppliers—accounted for about three-fourths of the increase although imports from most other countries were also higher. The Hemisphere's share of U.S. sugar imports increased from 61 percent in 1966 to 62 percent in 1967.

Banana imports dropped 3 percent in 1967 following a rise from $78 million in 1961 to $179 million in 1966. Imports from Central America were down slightly owing to reduced availabilities in Honduras. Imports from Ecuador were also down, while those from Costa Rica and Panama gained.

Meat imports rose 1 percent above the 1966 record. Imports from Canada and Mexico declined in the face of growing home demand, and adverse weather reduced Uruguayan supplies. However, imports from Central America and Argentina were up slightly from a year earlier.

Fruit and vegetable imports in 1967 were about 14 percent below the 1966 level. The decline reflects a drop in U.S. imports from Mexico—the principal supplier—particularly of frozen strawberries and tomatoes.

Cocoa bean import value continued to rise, reflecting higher prices. In 1967, the value was 16 percent above that in 1966 for the highest level since 1960. Imports from Brazil exceeded their high 1966 level, and purchases from the Dominican Republic and Ecuador were well above those of a year earlier.

Cattle imports declined for the second year as the 1967 trade value dropped 38 percent below 1966's. Increased home demand and a leveling off in cattle numbers reduced imports from Canada to less than one-half the 1966 level. Mexico continued to restrict cattle exports in the face of growing domestic demand for meat.

On the export side of the ledger, the Western Hemisphere in 1967 took about 18 percent of all U.S. agricultural exports. Shipments to these countries were valued at nearly

U.S. AGRICULTURAL TRAD

U.S. impo

Country and region	Coffee, green and roasted	Sugar, cane and beet	Bananas	Meat	
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	
Canada [2]	....	....	....	42.2	
Mexico	49.4	65.6	.7	22.0	
Total North America	49.4	65.6	.7	22.0	
Barbados	0	1.6	0	0	
Cuba [4]	0	0	0	0	
Dominican Republic	11.7	79.8	(3)	.2	
Haiti	3.8	3.2	0	.9	
Jamaica	(3)	14.2	.2	0	
Trinidad & Tobago	.7	1.8	0	0	
Antilles (Neth.)	0	0	0	0	
Bahamas (British)	0	0	0	0	
Bermuda (British)	0	0	0	0	
Leeward & Windward Islands (British	0	0	0	0	
West Indies (Fr.)	0	6.0	0	0	
Total Caribbean	16.2	106.6	.2	1.1	
Costa Rica	16.1	7.9	30.2	8.5	
El Salvador	40.5	4.5	.1	0	
Guatemala	34.5	7.9	4.8	7.8	
Honduras	6.5	1.0	44.8	4.5	
Nicaragua	8.4	6.4	3.4	11.7	
Panama	.4	4.1	44.7	1.3	
British Honduras	.1	1.9	.8	0	
Canal Zone	(3)	(3)	0	0	
Total Central America	106.5	33.7	128.8	33.8	
Argentina	.1	8.4	0	50.3	
Bolivia	1.4	.7	0	(3)	
Brazil	278.3	71.4	0	4.3	
Chile	0	0	.3	(3)	
Colombia	163.2	11.5	.2	0	
Ecuador	20.4	8.8	43.5	0	
Guyana	.1	7.6	0	(3)	
Paraguay	1.3	(3)	0	5.3	
Peru	20.2	48.0	.1	0	
Uruguay	0	0	0	1.8	
Venezuela	13.7	3.4	(3)	(3)	
Falkland Is. (Br.)	0	0	0	0	
French Guiana (Fr.)	0	0	0	0	
Surinam (Neth.)	.7	0	0	0	
Total South America	499.4	159.8	44.1	61.7	
Total Latin America	671.5	365.7	173.8	118.6	
Total Hemisphere	671.5	365.7	173.8	160.8	
Total World	964.3	587.3	173.9	664.0	
Latin America as percent of world	*Percent* 70	*Percent* 62	*Percent* 100	*Percent* 18	*P*
Hemisphere as percent of world	70	62	100	24	

[1] Preliminary. [2] Includes export transshipments, mostly to Western Europe, and prepared shipments, and imports reflect tobacco from bonded warehouses.

$1.1 billion, compared with $1.2 billion in 1966 and $982 million in 1961. Significant reductions in U.S. exports of corn, cereal preparations, and fats and oils overshadowed larger sales of rice, cattle, and meat and meat preparations. Exports to Canada (including transshipments) were down about 12 percent in 1967, and sales to Mexico, Chile, and Colombia were also off significantly. Exports to the Caribbean area maintained a strong uptrend, and 1967 trade with Bolivia, Brazil, Peru, and Venezuela increased to near-record levels.

Wheat and flour accounted for 20 percent of total U.S. agricultural exports to the Hemisphere in 1967. Excluding U.S. transshipments through Canadian ports, exports to the Hemisphere approximated the 1966 level, with reductions in sales to Chile and Colombia offset by a continuing rise in U.S. trade elsewhere. Exports to Brazil and Peru were maintained near the high 1966 level.

Fruits, vegetables, and preparations accounted for 21 percent of U.S. exports to Hemisphere countries in 1967. Sales

URAL TRADE WITH COUNTRIES OF THE WESTERN HEMISPHERE, CALENDAR YEAR 1967[1]

U.S. imports				U.S. exports								
Meat	Cocoa beans	Other	Total imports	Wheat and flour	Fruit, veg. and prep-arations	Other grains and prep-arations	Animal and vegetable fats and oils	Meat and meat products	Feeds and fodder	Dairy products	Other	Total exports
Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
42.2	....	158.9	201.1	23.8	191.3	78.1	18.4	26.7	25.5	2.0	188.7	550.8
22.0	3.5	185.8	327.0	(3)	7.5	3.6	14.7	3.4	5.7	5.5	40.3	69.7
22.0	3.5	344.7	528.1	23.8	198.8	81.7	3.7	30.1	31.2	7.5	229.0	620.5
0	0	1.1	2.7	.2	.4	.1	(3)	1.3	.4	(3)	.5	2.9
0	0	.9	.9	0	0	0	0	0	0	0	(3)	(3)
.2	11.5	13.2	116.4	5.3	2.4	2.1	3.6	.1	1.7	1.2	5.7	22.1
.9	.1	4.9	12.9	3.2	.2	.6	3.9	(3)	.1	.2	.6	8.8
0	(3)	4.4	18.8	2.0	1.3	8.3	1.7	2.8	3.1	.8	5.3	25.3
0	1.2	1.4	5.1	4.8	1.0	2.4	.1	1.2	2.4	.1	2.1	14.1
0	0	.1	.1	1.0	2.1	2.1	1.3	2.3	1.0	.1	1.6	11.5
0	0	1.2	1.2	(3)	3.7	3.0	1.2	2.6	1.6	.8	3.1	22.0
0	0	.1	.1	(3)	1.6	.5	.4	2.3	.9	.1	1.1	6.9
0	0	.9	.9	.4	.6	.1	.2	1.7	.3	.2	.5	4.0
0	0	1.0	7.0	(3)	.8	.9	.1	.3	.1	.1	.3	2.6
1.1	12.8	29.2	166.1	16.9	14.1	20.1	12.5	20.6	11.6	3.6	20.8	120.2
8.5	2.6	1.6	66.9	3.0	.5	1.5	.3	(3)	.6	.5	1.4	7.8
0	0	2.3	47.4	3.0	.2	.8	1.4	.1	.9	.7	.7	7.8
7.8	.1	4.6	59.7	4.3	.8	1.1	2.6	.1	1.0	1.2	3.0	14.1
4.5	(3)	2.6	59.4	2.0	.3	.9	.6	.1	.3	.3	1.4	5.9
11.7	0	3.5	33.4	2.2	.3	1.1	.9	(3)	.4	.3	1.3	6.5
1.3	.9	.3	51.7	3.0	3.8	1.0	2.2	1.0	.6	1.1	3.7	16.4
0	0	.8	3.6	.5	.3	.2	.4	.6	.2	.1	.1	2.4
0	0	.1	.1	0	0	0	0	0	0	0	0	0
33.8	3.6	15.8	322.2	18.0	6.2	6.6	8.4	1.9	4.0	4.2	11.6	60.9
50.3	.2	42.3	101.3	(3)	.3	.1	(3)	(3)	(3)	.2	2.2	2.8
(3)	0	.8	2.9	10.1	.2	.2	.1	(3)	.4	.6	.5	12.1
4.3	33.7	73.4	461.1	76.0	2.8	6.9	5.8	.2	.2	11.2	6.6	109.7
(3)	(3)	5.4	5.7	7.8	.1	4.0	1.9	.2	.1	2.3	8.5	24.9
0	0	4.8	179.7	7.8	.3	1.8	5.8	(3)	.1	4.7	4.5	25.0
0	10.4	2.8	85.9	4.1	.4	.7	3.4	(3)	(3)	.5	2.0	11.1
(3)	0	.4	8.1	2.1	.3	.3	.2	.3	.8	.2	.6	4.8
5.3	0	2.8	9.4	.1	(3)	.2	.2	(3)	.1	.3	.1	1.0
0	(3)	13.9	82.2	18.6	1.5	11.2	4.2	.4	.2	2.1	4.1	42.3
1.8	2.0	4.3	8.1	(3)	(3)	.2	.2	0	(3)	.2	1.9	2.5
(3)	0	5.5	22.6	40.9	14.5	5.7	7.8	1.5	1.4	.8	18.3	90.9
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	(3)	(3)	0	(3)	(3)	(3)	.1	(3)	(3)	.1	.2
0	0	.3	1.0	1.0	.4	.2	.1	.8	.6	(3)	.6	3.7
61.7	46.3	156.7	968.0	168.5	20.8	31.5	29.7	3.5	3.9	23.1	50.0	331.0
118.6	66.2	387.5	1,783.3	203.4	48.6	61.8	54.3	29.4	25.2	36.4	122.7	581.8
160.8	66.2	546.4	1,984.4	227.2	239.9	139.9	69.0	56.1	50.7	38.4	311.4	1,132.6
664.0	147.2	1,917.9	4,454.6	1,206.5	474.3	1,474.9	365.5	158.1	330.3	120.7	1,159.4	6,386.4
Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
18	45	20	40	17	10	4	15	19	8	30	11	9
24	45	28	45	19	51	9	19	35	15	32	27	18

tern Europe, estimated at $71 million. [3] Less than $50,000. [4] U.S. trade embargo went into effect in February 1962. Subsequent exports were relief

of these products dropped 4 percent, reflecting declines in trade with Canada and South American countries, notably Brazil, Colombia, and Venezuela.

Oilseeds, principally soybeans, have grown in importance as an agricultural export in recent years. However, shipments of oilseeds to Hemisphere countries were off nearly 20 percent in 1967, with smaller indicated sales to Canada—which accounts for 88 percent of this trade—responsible for the decline. Oilseed exports to the Hemisphere accounted for about 9 percent of all U.S. oilseed exports in 1967, compared with about 12 percent in 1966.

Fats and oils exports declined about 18 percent in 1967 after maintaining a moderate uptrend for several years. Animal fats dropped 14 percent, reflecting smaller shipments to Canada, Ecuador, Peru, and Venezuela. These countries also accounted for a decline of about 20 percent in vegetable oil exports.

Meat and meat product exports continued to rise in 1967 and were about 5 percent above those in 1966. Principal gains were in sales to Canada, Mexico, and the Caribbean. These gains were partially offset by reductions in exports to Chile and Venezuela.

Feed exports declined slightly in 1967 after rising to an alltime high the previous year. The Western Hemisphere accounted for about 4 percent of the U.S. market. Exports to Canada and Mexico declined, but these countries continued as principal Hemisphere markets. Exports to the Caribbean continued to rise with the region taking about 20 percent of U.S. feed exports to the Hemisphere in 1967.

Uncertain Prospects for Indian Tea Trade in 1968

Indian tea production in 1967 hit a record 381,616 metric tons and is forecast to reach another alltime high—perhaps 385,000 tons—in 1968. Demand has also been increasing. Domestic consumption has shown steady gains over the past several years (it currently accounts for about one-half of total output), and exports of 213,700 metric tons in 1967 were higher than in each of the preceding 2 years.

However, while rupee earnings from 1967 exports were the largest on record, actual foreign exchange realization sank below earlier levels. Last fall's devaluation of the British pound and the Ceylonese rupee affected both the value and the volume of India's tea exports: Devaluation of the pound made Indian tea more expensive to India's largest customer, the United Kingdom; devaluation of Ceylon's currency makes its tea cheaper for foreign consumers.

Exports in 1967 increased substantially over the previous year's level to the Soviet Union, the Irish Republic, the Netherlands, West Germany, and the United States. But shipments to the United Arab Republic, Afghanistan, and Canada declined.

Successful crop year

Good weather in the northeast during the first 10 months of 1967 was the largest single factor in last year's record output. About mid-November, however, the weather deteriorated, so that plucking closed somewhat earlier than usual, and quality in the northeast was inferior to that of the preceding season. The quality of southern India's crop remained satisfactory, but production dropped more than 8.8 million pounds.

For 1968, the production outlook is good. True, weather in the first 2 months was generally unfavorable for tea production and the season started somewhat late, but beneficial rains during March improved the crop's position sufficiently to set estimates slightly above last year's output. If this gradual year-to-year increase continues, the tentative 1970 target of 420,000 tons will be met.

Marketing Indian tea

Exports do not stand in so promising a position. The 1970 export goal—240,000 tons—is unlikely to be achieved. From India's standpoint, the world market situation is becoming increasingly difficult to cope with. Of its chief competitors, Ceylon has the advantage of its own currency devaluation, while the African producers benefit from cheaper production costs.

During 1967 Indian tea prices rose about 8 percent over those of 1966 because of increasing production costs, growing domestic demand, and higher taxes. Also, closure of the river route through East Pakistan in September 1965 has added a permanent cost to export marketing, because Assam tea must now travel to Calcutta via the longer railroad route.

To improve its export position the Indian Government has allowed income tax concessions for 1968-69 to tea companies for promoting tea advertisements in foreign markets. And more recently, it has liberalized regulations for the issuance of foreign exchange to be used for overseas travel, market studies, and advertising to promote exports.

Also, following persistent demands from the trade and industry, the government on February 7, 1968, introduced a uniform rate of export duty for tea. This simplified the existing system of three rates of duty for different priced teas but did not expedite the marketing of the lower priced teas, which form the bulk of India's tea exports. To maintain an acceptable export level and to improve profits, the Tea Association of India and other tea interests are urging abolition of the export duty.

Instant tea became exempt from export duty on July 22, 1967, and in August the duty for packaged tea was reduced 10 and 15 percent ad valorem for metal and nonmetal containers, respectively. Another measure taken last summer to encourage tea exports was an increase in the excise duties on tea. This was to check the rapid increase in internal consumption, so that supplies for export could be conserved.

Coming developments

Prospects for internal marketing of the new crop are generally good, but long-term prospects of the tea industry are uncertain. Profitability is declining, yet proposed market development projects receive little financial backing. The tea trade was disappointed by the Union Commerce Minister's statement this spring that there would be no change in the country's export policy for at least a year.

—Based on a dispatch from
JAMES H. BOULWARE
U.S. Agricultural Attaché, New Delhi

Secretary Freeman reports—

Special Mission to Asia Works for Expanded Trade

The remarks below were taken from a statement by Secretary of Agriculture Orville L. Freeman upon his return from Japan, Taiwan, and Korea with the Far East trade mission last month.

Our prime purpose was to talk trade and to build good will among the Japanese—our leading customer for farm products—and among the people of the Republic of China and Korea.

Duty reductions

In Japan we pressed for a 100-percent tariff reduction on soybeans. We are scheduled for a 40-percent reduction in duty as of July 1, but we were not satisfied with that. We feel we have encouraging support for the greater reduction in that country now.

We also pushed the Japanese for a duty reduction within the quota system on corn for industrial use. Action on this —underway when we arrived—will result in duty-free entry for from 300,000 to 400,000 tons annually.

We asked for liberalization on quotas on a number of items such as grapefruit, citrus juice, canned pineapple, and papaya. I believe the Japanese will take some liberalizing action.

We found some trade problems in Japan. The Japanese complained that since March 1 the moisture content of our corn had been too high, and we offered to exchange inspection specialists to look into the situation in both countries.

The Japanese told us we had lost cotton sales in recent months because our production had dropped. We told them they could expect a substantial production increase from us in 1968.

They said that sorghum prices were too high, and they were worried that corn prices were going up this year. We explained that sorghum prices resulted from normal market forces, including an increase in livestock feeding in our Southwest, prime sorghum country.

On corn prices, we reminded them that corn prices last year were the lowest in 7 years, and they—being excellent businessmen themselves—understood that to sacrifice the American farmer, their best supplier, for a few short-term extra dollars would be poor economics.

We found that traders and government in Japan, and in the other two countries as well, were worried about what they felt was a rising protectionist attitude in the United States.

Our trade promotion programs, particularly in Japan where they have been in operation longer, were working well. Japanese millers told us the promotion efforts were the principal reason for the huge success of wheat foods.

We found, also, that while we have made gains in boosting soybean oil consumption, we have plenty of room for improvement. Per capita consumption in Japan is 17 pounds per year, compared with 46 pounds in the United States.

Perhaps the question we heard most often in Japan was whether we were really interested in being a steady supplier. We hammered it home every chance we got that we *are indeed,* and that we have millions of acres of farmland in reserve for that very purpose.

We found tremendous enthusiasm among the Taiwanese for market development programs. We assured them that we would do our share in expanding promotion efforts.

We suggested they reduce or eliminate their duty on soybeans, and they agreed to consider it seriously.

We talked with the trade and with officials of the Republic of China about the need to reduce their duties on imports of feedgrains.

Interest in promotion

I was tremendously impressed by South Korea, a country that was on the ropes when I last visited there 12 years ago. The Koreans have wrought what I consider a peacetime miracle to improve the lot of the people. Farmlands are being improved and reclaimed; industry is expanding. The Koreans are intensely interested in market development, and we are prepared to work with them.

We saw the glimmer of the beginning of a modern livestock industry in Korea —the sure sign of an improving economy and an improving standard of living. We are supplying American know-how and will supply more.

We saw a growing market for soybeans, where the first trade in any volume occurred in the past year, and a growing market for our feedgrains.

I predict that these two—soybeans and feedgrains—will be large trade items in the years ahead.

American Turkey Is Star Poultry Attraction at Tokyo Fair

April, not June, is the month for weddings in Japan. At the American Festival in Tokyo this April, U.S. turkey—a prewar prestige item at wedding receptions, but only for a wealthy few—was promoted in Japan as a wedding reception delicacy every bride's family can afford. Other U.S. poultry products featured in the promotion include some being shown in Japan for the first time.

Several prominent Japanese poultry distributors report that they had substantial sales as a direct result of the show.

The U.S. poultry industry's International Trade Development Board (ITDB), represented by the Institute of American Poultry Industries (IAPI), worked with the Foreign Agricultural Service in presenting the special poultry promotion at the Festival.

Poultry products shown and sampled included whole chickens and turkeys, chicken parts, canned poultry, and—for the first time in Japan—turkey parts, roasts, rolls, smoked turkey, ducks, and chicken fillets.

Turkey was selected as a key promotional item because Japan has a million weddings a year, at each of which the reception is a key event.

At the IAPI booth, the wedding theme was emphasized, with large photographic backgrounds of Japanese and American brides and their wedding festivities to dramatize it. Turkey-based reception foods were prepared on the spot and samples given out to visitors, along with recipes and promotional brochures, a special one for weddings.

At the Festival attention was drawn to poultry in many ways. Direct sales were made in a modern self-service market, where visitors bought many of the new items introduced throughout the show. Biggest selling items at the Festival were chicken drumsticks and legs. Sales were also made in commercial booths and outdoor food concessions.

Soybeans Prominent At American Festival

American soybeans played a leading role in the export sales promotion staged in USDA's American Festival in Tokyo last month (see *Foreign Agriculture* April 29, 1968). The U.S. soybean promotions were spearheaded by the American Soybean Association and its Japanese arm the Japanese-American Soybean Institute, headquartered in Tokyo.

Every major U.S. agricultural product was represented in some way at the exhibition, but soybeans and soybean products were nearly everywhere. American soybeans provided the base for six different kinds of salad oils that the Japanese people sampled and liked at the soybean promotion booth. Salad dressings there were made with paprika, soy sauce, curry, ketchup, lemon, and cheese flavorings. (The Japanese people are eating more and more salads, but salad dressings containing soybean oil are just beginning to become popular.)

American soybeans provided the fats for the margarine that was spread on small squares of warm bread baked with flour from U.S. wheat, causing Japanese visitors to queue up in long lines to taste samples that would be commonplace in the United States but were a treat in Tokyo. (Objective was to show the people that vegetable margarine has a pleasant taste, in contrast to the strong flavor of margarines they have been accustomed to eating, made of whale oil, fish oils, or beef tallow.)

American soybeans also provided the oil for the American-style mayonnaise that was sold in the exhibition's popular self-service market, stocked with 2,000 U.S. grocery items.

American soybeans provided the fat that went into making the soft filled ice cream that was a hit with Japanese children at the exhibition's snack stands, and provided the oil for cooking the American-style corn chips and doughnuts.

American soybeans provided oil for popping the thousands of bags of hot "buttered" popcorn that were sold.

American soybeans were present in the vegetable protein foods and the livestock feeds that were promoted at several of the 12 State booths.

Almost everywhere the visitors went through the exhibition hall, either out front or behind the scenes, they felt the presence of American soybeans.

Japanese consumers move through the soybean promotion booth at American Festival for a sample of toast of U.S. flour spread with margarine made of U.S. soybean oil.

U.S. Wheat Gets New Sales Push in Japan

Sales of U.S. wheat to Japan were given a boost during April by Wheat Associates, U.S.A., through a series of promotions centered around USDA's American Festival. The wheat promotions were aimed at Japanese government and industry officials and at Japanese consumers.

A business dinner was one event which brought together a number of Japanese flour millers and visiting American agricultural officials. Additional contacts with officials of the Japanese Food Agency, the sole importer of wheat into Japan, and influential Japanese flour millers were made through a special reception at the exhibition and a tour of the many promotional booths.

A "two-way trade" luncheon again brought together a number of U.S. wheat people and key Japanese importers and users of wheat.

A special delegation of 13 government and wheat industry people came from South Korea specifically to see the American wheat products on display at the exhibition. The Koreans said they would like to see a similar promotion of U.S. wheat products staged in their country.

U.S. wheat products were everywhere in evidence at the Festival. One of the most popular single items was the American-style doughnuts, promoted jointly by Nisshin flour mills and the Doughnut Corporation of America, working in cooperation with Wheat Associates, USA, and the American Soybean Association.

The doughnuts — some plain, some frosted—were priced at two for 40 yen, or about 5½ cents each. Made of flour from U.S. wheat and cooked in oil from U.S. soybeans, they were quite different from the heavier and thicker typical Japanese doughnuts—and sold by the thousands.

The success of American-style doughnuts has given encouragement to another Nisshin-DCA joint venture—American-style pancakes. One of the largest department stores in Tokyo is now planning to open a pancake house, using the Nisshin-DCA pancake mix.

Japanese people who have grown up eating rice have demonstrated their willingness to add wheat products to their diets. Long lines of people moved through the wheat products for samples.

Japan Likes U.S. Rice

A declining level of self-sufficiency in agricultural production plus an ability to buy has made Japan one of the greatest potential markets for U.S. rice.

Projections made by the Japanese Ministry of Agriculture reveal that by 1976 the growing population will demand an annual import requirement of rice amounting to about 500,000 metric tons.

In the rice booth at American Festival last month, dishes prepared from U.S. rice were sampled by the Japanese public. The younger generation especially enjoyed the various U.S. rice dishes—Arkansas green rice, California raisin rice, rice Louisan, Mississippi rice medley, and Texas hash.

Typical scenes of customers buying and sampling U.S. foods in the Daimaru, Isetan, and Meidi-ya stores that ran the American retail food campaign in Japan.

Japan's Stores Feature U.S. Foods

Japan's homemakers bought American foods in record quantities during the series of retail in-store promotions staged in eight department stores and self-service stores in four large Japanese cities in April. The special promotions, sponsored by the Foreign Agricultural Service cooperatively with the commercial food trade in Japan and in the United States, resulted in the direct cash-register sales amounting to $876,153.

The promotions were held concurrently and in support of USDA's American Festival in Tokyo last month. Combined events constituted the largest promotion of American foods ever held in the Far East.

Participating stores were the Isetan department store in Tokyo; Daimaru department stores in Osaka, Kyoto, and Kobe; Kinokuniya supermarket in Tokyo; and three Tokyo Meidi-ya stores.

Products featured included hundreds of brandname American-made food products such as processed meat, cheese, canned milk, butter, candy, cookies, and other confectionary products; coffee and tea; fresh, canned, dried, and frozen fruits and fruit products; and frozen and canned poultry products. Specialty or unusual American foods were heavily stocked by the participating stores in anticipation of rapid turnover.

Helped by the colorfully decorated American promotional areas within the stores, and by continuous sampling and tasting of many foods, combined store attendance was estimated at 5,730,000 persons. This is an average of 18 percent higher than usual.

Stores' officials estimated that total sales of all departments increased by 27 percent, compared with a similar non-promotion period.

U.S. Resumes Drive To Regain Fair Share of Poultry Market

The U.S. Department of Agriculture has accepted its first bid under a resumed subsidization policy for poultry exports to Switzerland—16.5 to 17.5 cents per pound on U.S. Grade A whole chickens —broilers and grillers—for a shipment of 150,000 pounds. Subsidization to Switzerland is the first step in a new drive to regain a fair share of the world export market for the U.S. poultry industry.

According to Secretary of Agriculture Orville L. Freeman the United States intends to regain the share of the Swiss poultry market that it held before 1962. In 1960 and 1961, the United States averaged 67 percent of the total Swiss import market for poultry meat. As a result of subsidized competition, the U.S. share sank to 3 percent in 1967.

The Secretary made the following statement concerning the action:

"In recent years U.S. exports of poultry have sharply declined owing to the increasing lack of access to the European Common Market and subsidized competition into traditional U.S. markets.

"In 1962, the European Communities (EC) established its Common Agricultural Policy for poultry. Under its provisions, the EC has increasingly restricted access to the EC poultry meat market.

"In addition, the EC has been subsidizing its exports and as a result it has continued to increase its share of traditional U.S. markets.

"We have repeatedly sought a solution to this problem through international discussion. Only recently, at our initiation, a meeting was held in Geneva under Article XXII of the General Agreement on Tariffs and Trade (GATT), and the problem was discussed with all the major exporting and importing countries of poultry meat.

"This step is being taken with great reluctance and only after extensive efforts have been made to reach agreement among the exporting countries to discontinue the subsidization of poultry meat.

"We much prefer to compete in world markets on the basis of efficient production. However, until we can reach agreement the only practical solution to the problem of regaining the U.S. position in the world export market for poultry meat is the subsidy program. We continue to hope that all countries will agree to cease subsidization so that order can be restored in the world market."

CROPS AND MARKETS SHORTS

U.S. Meat Product Imports and Exports

U.S. imports of livestock and meat products in the first quarter of 1968 were well ahead of those for the same period a year earlier, while exports were down except for two of the major export commodities, lard and inedible tallow.

On the export side, lard showed the largest percentage gain, up 16 percent over the same period in 1967. Inedible tallow exports, the major livestock export commodity, were up 9 percent. Exports of variety meats, second in importance, were down 8 percent in the first quarter. The decrease in variety meat exports was related to increased supplies in the major importing countries.

Hides and skins and live cattle exports were also down 16 and 8 percent, respectively. Hide and skin exports have been lower all year, while live cattle exports suffered their first decline in March of this year. Exports of red meats were down 31 percent from a year earlier; mohair exports increased slightly.

U.S. imports of red meats during the first 3 months of 1968 were up 10 percent from a year earlier. Increases were noted in most red meat categories, with total beef and veal imports up 10 percent; pork, 3 percent; mutton and goat, 54 percent; and lamb, 43 percent. Total wool imports were up 47 percent from a year earlier; live cattle imports were up 40 percent from the relatively low levels of 1966.

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	March		Jan.-March	
	1967	1968	1967	1968
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	8,965	13,350	40,605	47,187
Tallow and greases:				
Inedible	158,415	175,178	500,987	545,267
Edible	1,823	915	6,481	2,166
Meats:				
Beaf and veal	3,186	2,297	8,725	7,148
Pork	5,605	2,653	16,390	8,571
Lamb and mutton	181	116	358	373
Sausages:				
Except canned	197	219	489	649
Canned	143	85	305	355
Other canned meats	781	774	2,175	2,296
Meat specialties:				
Frozen	196	118	442	524
Canned	191	84	620	307
Total red meats [1]	10,480	6,346	29,504	20,215
Variety meats	19,148	15,707	57,133	52,367
Sausage casings:				
Hog	730	326	1,803	1,329
Other natural	226	206	649	570
Mohair	1,022	1,094	2,249	2,294
Hides and skins:				
Cattle parts	4,276	3,358	11,067	8,497
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	1,091	1,045	3,587	3,025
Calf	234	153	564	499
Kip	34	25	146	97
Sheep and lamb	410	235	811	785
Horse	2	8	10	18
Goat and kid	34	31	76	46
	Number	*Number*	*Number*	*Number*
Live cattle	4,397	2,812	11,580	10,646

[1] Totals may not add due to rounding.
Bureau of the Census.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	March		Jan.-March	
	1967	1968	1967	1968
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Bone-in beef:				
Frozen	118	1,091	466	2,145
Fresh and chilled	202	1,472	882	3,120
Boneless beef	56,946	53,810	179,922	188,078
Cuts (prepared)	112	126	334	496
Veal	579	1,176	3,929	4,819
Canned beef:				
Corned	6,133	5,943	16,492	20,408
Other, incl. sausage	1,002	1,196	3,119	4,098
Prepared and preserved	2,858	4,609	9,983	14,500
Total beef and veal [1]	67,950	69,423	215,127	237,668
Pork:				
Fresh and frozen	3,812	3,871	11,147	12,143
Canned:				
Hams and shoulders	21,922	20,488	54,232	57,497
Other	5,215	3,969	13,662	11,714
Cured:				
Hams and shoulders	195	116	435	303
Other	339	304	986	1,070
Sausage	262	231	686	600
Total pork [1]	31,745	28,979	81,148	83,324
Mutton and goat	4,038	6,575	12,556	19,322
Lamb	987	1,505	2,397	3,417
Other sausage	651	490	1,708	1,651
Other meats, n.s.p.f.	1,824	545	4,323	3,390
Total red meat [1]	107,195	107,513	317,259	348,772
Variety meats	243	119	865	972
Wool (clean basis):				
Dutiable	11,836	13,963	30,243	40,156
Duty-free	5,743	7,748	16,977	29,067
Total wool [1]	17,579	21,710	47,220	69,224
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	16	42	40	91
Calf	29	29	108	128
Kip	25	20	75	63
Buffalo	23	26	107	126
Sheep and lamb	3,167	4,038	6,099	9,693
Goat and kid	576	417	2,234	1,768
Horse	22	25	61	97
Pig	90	33	350	184
	Number	*Number*	*Number*	*Number*
Live cattle [2]	60,233	98,689	160,251	224,112

[1] Totals may not add due to rounding. [2] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

Meat Imports Subject to Quota Rise

U.S. meat imports subject to quota restrictions in March 1968 totaled 64.1 million pounds. This level was 4 percent greater than for the same period a year earlier when imports totaled 61.9 million pounds. Imports for the first quarter of 1968 totaled 217.5 million pounds, compared to 197.8 million pounds for the first quarter of 1967—a 10-percent increase over a year earlier.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)
[Product weight]

Imports	March	Jan.-Mar.
	Million pounds	*Million pounds*
1968:		
Subject to Meat Import Law [1]	64.1	217.5
Total beef and veal [2]	69.4	237.7
Total red meat [3]	107.5	348.8
1967:		
Subject to Meat Import Law [1]	61.9	197.8
Total beef and veal [2]	67.9	215.1
Total red meat [3]	107.2	317.3
1966:		
Subject to Meat Import Law [1]	49.4	161.2
Total beef and veal [2]	49.9	171.9
Total red meat [3]	90.1	274.9

[1] Fresh, chilled and frozen beef, veal, mutton and goat meat. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton and goat.

Netherlands Canned Fruits and Juices

Selected prices (landed, duty paid) of selected canned fruits and juices are shown in the following table.

Type and quality	Size of can	Price per dozen units			Origin
		April 1967	Jan. 1968	April 1968	
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice, heavy syrup	2½	....	....	4.24	S. Africa
Do	2½	....	....	4.01	Australia
Choice	15 oz.	2.06	2.19	1.96	Spain
Cherries, sweet, not pitted:					
Not specified	2½	6.43	6.40	6.10	Italy
Cherries, R.S.P.:					
Not specified	10	18.56	28.18	32.32	U.S.
Fruit Cocktail:					
Choice, light syrup	2½	4.81	....	5.93	U.S.
Do	2½	....	....	5.47	Australia
Choice, heavy syrup	2½	....	5.40	5.60	S. Africa
Fruit Salad:					
Not specified	15 oz.	....	3.00	3.00	Spain
Peaches:					
Sliced, Choice, light syrup	2½	4.01	3.78	3.78	U.S.
Halves, Choice, light syrup	2½	....	....	4.18	Australia
Pear halves:					
Choice, heavy syrup	2½	....	....	4.94	Australia
Heavy syrup	2½	4.97	4.61	4.48	Italy
Pineapple:					
Slices, fancy	2½	....	5.40	5.47	U.S.
Slices, Choice, heavy syrup	2½	4.71	4.61	4.64	U.S.
Slices, heavy syrup	30 oz.	....	4.08	4.04	Taiwan
Chunks, heavy syrup	2½	3.88	3.94	3.94	U.S.
Mixed pieces, light syrup	2½	....	3.05	3.02	Philippines
CANNED JUICES					
Grapefruit, unsweetened	1 qt. [1]	....	4.48	4.48	U.S.
Orange, unsweetened	1 qt. [1]	....	4.48	5.57	U.S.
Do	6 oz.	....	.94	.94	Greece

[1] In 1 quart glass bottles.

U.S. Exports of Soybeans and Products Up

U.S. exports of soybeans in March totaled 24.1 million bushels—up 6.6 million from the 17.5 million exported last

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	March		Sept.-March	
		1967 [1]	1968 [1]	1966-67 [1]	1967-68 [1]
SOYBEANS					
Belgium	Mil. bu.	0.1	0.4	5.4	5.0
France	do.	.3	(2)	1.7	.4
Germany, West	do.	2.7	1.9	20.9	21.3
Italy	do.	1.1	1.6	12.3	11.3
Netherlands	do.	2.2	3.6	23.0	28.0
Total EEC	do.	6.4	7.5	63.3	66.0
Japan	do.	3.8	7.6	37.5	43.5
Spain	do.	2.0	3.6	15.4	18.2
Canada	do.	.1	(2)	13.4	11.8
Denmark	do.	1.1	1.1	9.6	10.1
Israel	do.	.7	1.6	9.4	6.1
Others	do.	3.4	2.7	16.5	16.2
Total	do.	17.5	24.1	165.1	171.9
Oil equivalent	Mil. lb.	192.5	264.7	1,813.2	1,887.8
Meal equivalent	1,000 tons	411.9	566.5	3,880.7	4,040.4

		March		Oct.-March	
EDIBLE OILS		1967 [1]	1968 [1]	1966-67	1967-68
Soybean: [3]					
India	Mil. lb.	42.1	0	87.5	111.5
Pakistan	do.	42.0	28.3	42.1	107.4
Tunisia	do.	7.8	22.7	45.1	60.4
Morocco	do.	3.2	15.5	5.2	26.9
Vietnam, South	do.	6.4	4.1	18.9	21.8
Israel	do.	.1	1.0	11.6	21.2
Dominican Republic	do.	2.5	2.3	6.4	16.0
Brazil	do.	2.0	1.0	12.2	12.7
Canada	do.	1.8	.6	11.0	11.1
Panama	do.	1.6	1.7	6.0	8.9
Others	do.	32.2	7.3	237.3	79.7
Total	do.	141.7	84.5	483.3	477.6
Cottonseed: [3]					
Venezuela	do.	.9	2.8	15.1	17.2
Canada	do.	.8	.4	3.7	4.1
Bahamas	do.	.1	.1	.5	.5
Others	do.	6.9	.3	15.3	3.4
Total	do.	8.7	3.6	34.6	25.2
Total oils	do.	150.4	88.1	517.9	502.8
CAKES AND MEALS					
Soybean:					
Belgium	1,000 tons	10.9	11.5	102.3	159.8
France	do.	32.1	49.4	230.5	255.5
Germany, West	do.	36.9	48.9	265.3	292.3
Italy	do.	4.4	37.7	97.7	78.3
Netherlands	do.	30.7	43.9	168.2	282.4
Total EEC	do.	115.0	191.4	864.0	1,068.3
Canada	do.	15.6	19.2	111.7	115.0
United Kingdom	do.	4.3	9.0	43.3	58.3
Denmark	do.	11.6	1.4	57.8	47.8
Yugoslavia	do.	31.8	11.2	89.7	47.0
Poland	do.	9.2	0	30.8	35.1
Others	do.	33.3	25.8	183.2	170.6
Total	do.	220.8	258.0	1,380.5	1,542.1
Cottonseed	do.	.3	.3	5.3	1.4
Linseed	do.	3.3	1.4	66.9	73.2
Total cakes and meals [4]	do.	226.1	264.7	1,462.5	1,637.5

[1] Preliminary. [2] Less than 50,000 bushels. [3] Includes shipments under P.L. 480 as reported by Census. [4] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

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March. The September-March total of 171.9 million bushels exceeds, by 6.8 million, exports for the same period last year. Increased quantities were taken by the EEC, Japan, Spain, and Denmark, while shipments to Canada and Israel were below last year's level.

Soybean and cottonseed oil exports dropped to 88.1 million pounds—down 42 percent from the 150.4 million of March 1967. Smaller shipments of soybean oil under Public Law 480 programs accounted for the decrease. October-March exports totaled 502.8 million pounds, compared with 517.9 million a year ago.

March exports of soybean meal reached 258,000 tons, an increase of 17 percent over those of the previous year. Exports during the first 6 months of the marketing year climbed to 1,542,100 tons, representing a gain of 12 percent over exports in the September-March period last year. Countries taking more soybean meal and the amount of increase (in thousand tons) include: the Netherlands, 114.2; Belgium, 57.5; West Germany, 27.0; France, 25.0; United Kingdom, 15.0; Poland, 4.3; and Canada, 3.5. Less soybeam meal, however, was taken by Italy, Denmark, and Yugoslavia.

Total cake and meal exports, reflecting the gain in soybean meal and a slight increase in linseed meal exports, reached 1.64 million tons compared with 1.46 million last year.

Swedish Cigarette Output Declines

Output of cigarettes in Sweden fell about 4 percent last year from the 1966 level. The 1967 total was 7,986 million pieces, compared with 8,323 million in 1966. The American-blended kind of cigarette accounted for about 95 percent of the total output, with modified oriental comprising the remainder. Filter-tips made up 54 percent of output in 1967, compared with 48 percent in 1966.

Sales of cigarettes (domestic and imported) to consumers were about 2.5 percent larger in 1967 than in 1966. At 8,927 million pieces, they reached a record high (compared with the previous high in 1966 of 8,713 million).

Sudan's Sugar Imports and Output Rise

Sudan expects to import 160,000 metric tons of sugar from the Soviet Union and 20,000 from Poland. Additionally, the nation's two factories in Geneid and Khashmel Girba will produce an estimated total output of 90,000 tons in the 1967-68 season. Negotiations have been underway to finance the establishment of a third sugar factory with a cost not to exceed $30 million and an annual capacity of 60,000 tons.

Nigerian Cotton Output Drops Sharply

Nigeria's 1967-68 (August-July) cotton crop is estimated at approximately 125,000 bales (480 lb. net), the smallest crop since the 1952-53 season. This is 47 percent below last season's crop of 235,000 bales and 52 percent below the record 1960-61 crop of 260,000. The decrease is attributed to extremely dry weather and the diversion of cotton acreage to food crops by farmers, owing to lack of coordination between the farmers and the Nigerian marketing organization. Area devoted to cotton in Nigeria is estimated at around 900,000 acres.

Exports of raw cotton from Nigeria were around 68,000 bales in the January-September period of 1967, compared with 56,000 in the same months of 1966. Major countries of destination for Nigerian cotton in the January-September period of 1967 were Italy, Belgium, the Netherlands, Mainland China, and the United Kingdom.

Consumption of cotton in the 1967-68 year is estimated at 100,000 bales, about the same as consumed a year earlier. Currently, two of Nigeria's largest textile mills are reported inactive because of the civil war activities in their area.

World Crops and Markets

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